

## **BILL ANALYSIS**

S.B. 1229  
By: Gallegos  
Licensing & Administrative Procedures  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Under current law, package stores and wine only package stores that hold local cartage permits are permitted to make deliveries of their products to customers within the city limits of the stores' permitted premises or within two miles thereof. However, Section 22.03(a) of the Alcoholic Beverage Code allows these package stores to also ship their products to customers anywhere in the state through the use of carrier permittees. The legislative intent of Section 22.03(a) is unclear regarding whether a carrier permittee should be permitted to deliver alcoholic beverages for a package store or a wine only package store outside of the county in which the store is located.

S.B. 1229 clarifies that the geographic boundaries where a cartage permittee is permitted to deliver and collect alcoholic beverages on behalf of a package store or a wine only package store is only within the county or the city or town or within two miles of its corporate limits and only in response to bona fide orders. The bill also enables package store permittees and wine only package store permittees, who also hold a local cartage permit, to deliver alcoholic beverages to the holder of a carrier's permit for transportation outside of Texas in response to bona fide orders placed by persons authorized to purchase the beverages.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. Amends Section 22.03(a), Alcoholic Beverage Code, as follows:

(a) Requires a package store permittee or wine only package store permittee, who also holds a local cartage permit, to travel by the most direct route and authorizes the permittee to make deliveries and collections only within the county or the city or town or within two miles of its corporate limits. Prohibits this section (Deliveries to Customers) from being construed as preventing a holder of certain permits from delivering alcoholic beverages to the holder of a carrier's permit for transportation to persons who have placed bona fide orders and who are located in an area to which a holder of certain permits, who also hold a local cartage permit, is authorized to directly deliver under this section. Authorizes the holder of certain permits to also deliver alcoholic beverages to the holder of a carrier's permit for transportation outside of this state in response to bona fide orders placed by persons authorized to purchase the beverages.

SECTION 2. Effective date: September 1, 2007.

### **EFFECTIVE DATE**

September 1, 2007.